

big hand of the Federal Government will come in and say, "Mr. Employer of XYZ Christian bookstore or Jewish bookstore, you must employ this person even though their sexual orientation is very contradictory to your personal and religious convictions. You must employ them or you can be sued." I find that very offensive. I hope we will not go so far as to do that. I am afraid that is exactly what we would do if we pass this bill.

I understand some of the motivation that some of the people have. I think this debate has been conducted very well. I just want to say that people who oppose this legislation I do not believe are bigoted. I think they are trying to protect an individual's right to protect their religious convictions and organizations—organizations like the Boy Scouts, organizations like a cheerleading camp or a children's camp or a day care center, or Christian bookstore. We want to at least protect their right that if they want to make sure they have role models who are not bisexual or openly homosexual amongst kids and so on, they would have the right to have that and maintain their policies, without the big hand of the Federal Government coming in and saying, "No, you are subjected to not only compensatory damages but punitive damages and all the legal fees that would come with that."

I urge my colleagues when we vote on Tuesday to please vote "no" on this legislation. I yield the floor.

Mrs. KASSEBAUM. Mr. President, I yield 3 minutes to the Senator from Missouri.

Mr. ASHCROFT. I am pleased to return to the floor to add a note to the discussion which has continued since I left the floor. There has been further debate about how the bill exempts organizations like the U.S. military, and exempts, properly so, I think, private schools, and it attempts to exempt the Boy Scouts.

Since I pointed that out and said basically I thought those were good exemptions, I thought the same reasons for exempting them should exempt the rest of the culture. Why impose something that would threaten the Boy Scouts or threaten the U.S. military, or threaten private nonprofit schools? Why impose those kinds of things on the rest of the culture?

After I left the floor the allegation was made that the arguments against this bill flowed from bigotry and could be characterized as cheap shots because we would exempt the entire culture. I guess I just have one question to ask: If it is bigotry to exempt the entire culture, is it small-time bigotry to exempt the Boy Scouts? Is it small-time bigotry to exempt limited portions of the culture? In my judgment, it is not. I think it is a mistake to suggest it is bigotry to oppose this bill.

I think that there are real problems with the underlying principle of this bill, and that those problems are understood, and as a result we attempt to

exempt organizations like the Boy Scouts. We exempt the U.S. military because we do not want to subject it to some of the problems that would attend its application. I think those of us who oppose this bill are not bigots or taking cheap shots or cheaper shots. If it is a cheap shot to exempt the entire culture, it must be something of a cheap shot to exempt part of it. We are not really saying we want to take a cheap shot. We are saying this is not the way for us to move forward.

I believe the framers of the legislation were right in their attempt to avoid the imposition of onerous, counterproductive regulation on a good bit of our culture—private schools, nonprofit, Boy Scouts, the U.S. military. We can ill afford to do things that impair their mission or their capacity. I think they were right in doing so. For those of us who would have a broader exemption, who believe it would be counterproductive overall, I think we are arguing from good faith and in the best national interest. That is a point which I think deserves to be made. It can be contradicted but I do not think it will be refuted.

Mrs. KASSEBAUM. Mr. President, I yield myself 5 minutes.

Mr. President, I have spoken earlier about concerns I had with this legislation. I agree with the Senator from Missouri. I think one can oppose this legislation and not be thought of as being bigoted or, I suggest, creating stereotypes, because I think there are some very troubling aspects of this bill. The subject of this bill is, in many ways, not easy to define.

Let me suggest that there are several points that have been raised here today in the course of the debate. One, I do believe it will lead to prolonged litigation where there are punitive and compensatory damages involved that could further divide the workplace. I do not believe it furthers what we would most like to occur—a tolerant and understanding workplace. Second, there is a question about how this law would impact affirmative action requirements. And third, how it will impact on the strongly held views of employers or employees?

I guess what we are really trying to decide here is how far we can go by legislating what employers should or should not do when it comes to firing and hiring. I do not think we can answer that easily by legislation. I frankly believe, as I said before, that I think every single one of us deplores discrimination. We should not stereotype anyone. I do not think that we are.

However, I do believe that there are legitimate concerns about the consequences of this bill that lead me to oppose the legislation before the Senate. I think there are better ways to promote tolerance. I suggest, also, Mr. President, that I think it is very important for us to respect differing viewpoints in the process and to continue to hold respect for all individuals. I believe we can hold these views. I believe

we can be respectful of differences and still oppose this legislation.

As we consider the aspects of the debate that we have heard here this morning, when we vote on Tuesday, I urge those who are uncertain about how to vote, even though there have been arguments that have been made on the other side that have shown where States have had this legislation in place, very few cases have been brought. As the Senator from New York, Senator MOYNIHAN pointed out, and Senator KENNEDY as well, to have legislation imposing requirements in order to open doors—indeed, this is a different type of situation and we need to think carefully about what it may lead to in the future.

I would suggest there may be some different and better paths as we look at the consequences of litigation on firing and hiring practices.

For these reasons and the concerns I believe that exist, I urge all Senators who have some doubts about this to oppose this legislation.

I yield back any time remaining, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COVERDELL. Mr. President, it is my understanding that, for the next hour, time designated is under my control and/or my designee.

The PRESIDING OFFICER. The Senator is correct.

#### TAX RELIEF

Mr. COVERDELL. Mr. President, as we have heard, there is a great national debate in the making with regard to the anxiety in the American workplace, anxiety particularly among middle-class working Americans. I have often talked about a snapshot of an average family in Georgia that makes about \$40,000 to \$45,000 a year. Several months ago, when I took the snapshot of that family—a family of four, with both parents now working, with two children—we added up the Government obligations that that family had to pay, the total cost of Government. At the end of the day, they had 48.2 percent of their gross wages left.

I can think of no institution, including Hollywood, that has had a more profound effect on the behavior of middle-class America than their own Government. This morning, I have just been given data that show that now they only have 47 percent. Just in the last 12 months, they continue to lose the power of the wages and the independence of what those wages mean to that family.

Maybe the First Lady and Senator Dole have defined our disagreement. In Chicago, she said, very defiantly, that it does take a village to raise a child. Of course, "village" is the Government. Senator Dole said that it takes a family. All year, we have been debating the subject about whether the resources should go to the village—the Government—or whether the resources should be left with the family.

I believe the empirical evidence is unshakable that those resources, those wages, should be left in the family checking account, so that that family can undertake the responsibilities that America has always asked of them—to get the country up in the morning, get it to school, get it educated, get it housed and fed, clothed, transported and, yes, in good health and spirits, and to ultimately accept the leadership of the country. For us to be here this morning debating the fact that an average family in America is now forfeiting over half of its wages to the Government at some level, being denied those earnings and the independence it gives the families to do the things it is supposed to do—if Thomas Jefferson were here today—and I have said it before—he would be stunned that we had ever come to a point in America that we had confiscated that sum of the earning power of the wage earner and sent it off to some government to remake the village. Maybe those two sentences have, more clearly than anything else we have heard in a long time, defined our two views of the country.

I see we have been joined by the Senator from Utah. I yield up to 10 minutes to the Senator from Utah to speak on this subject.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, as I contemplate the issue of taxes and their impact on the average family, my mind goes back to an experience that, for me, was very typical—that is, for my generation—but it is becoming increasingly less typical for Americans. I would like to recall it as a model for this discussion. When I was in my twenties, I was in the Armed Forces. At that time, everyone who was male and in his twenties was in the Armed Forces. The law required that. It was a new experience, a cultural shock, as they took me to Fort Ord, CA, and cut off all my hair. I will stipulate that at that time in my life I had some hair to be cut off, unlike my present circumstance. They put me in a uniform, put me in a barracks, and changed my life.

I was an employee of the U.S. Army and, as such, I received the monthly salary of \$90. People could say to me, "Well, you can't live on \$90 a month." But the Army would have pointed out to me, if I had raised the issue, that the Army took care of all of my food, all of my clothing, the Army took care of my housing, and the Army took care of my transportation. If the Army did

not take me someplace, I did not need to go there. The Army would tell me that would be the case, and that the \$90 a month I had as my salary was spending money. I could use it to pay for the haircut that the Army required me to have. I could use it to buy some candy bars, or whatever movies I might want to go to. But my life was OK, because the combination of cash and Government-provided benefits together provided me with a standard of living that the Army decided was adequate for me.

Why do I cite that in this discussion about taxes? It is because that is the philosophy that I think we are seeing here, where people say to us, yes, there is so much coming to the Government in the way of taxes, but look at what the Government is doing for you in return for those taxes, so that you would want to continue paying the taxes because your country needs that money in order to provide you with all of those wonderful benefits that you are getting.

In the debate when Senator Dole raised the issue of possibly cutting the tax rate, the first thing we heard was, "We can't do that because we can't afford it," to which I echo the question: Who is "we"? "We can't afford to give up the revenue that is coming from the tax rolls." Who is "we"? "We" in this case means the average American family. The average American family currently spends more for those Government benefits, like the food, the uniforms, the barracks, and so on that I described when I was in the Army. The current American family spends more for Government than it spends for food, housing, and shelter combined. Yet, we need more money to run the Government than the family needs to feed itself, clothe itself, and house itself. The question arises, not where will the money go but who will control it?

Let me give you an example. One of the things we buy with Government money is retraining programs for people who are out of work. In the State of Utah, we have a training program that is called ATC—Advanced Technology Centers. It is one of the, I think, most effective educational programs that has ever been run. I could go on at great length and describe how it works. The State pays for it. People who need it enroll in it, and they keep the cash for themselves to make the decisions with respect to their lives. They enroll in this training program not because the Federal Government is running it and the Federal Government has decided that it must be offered. They decide in terms of their own lives what kind of training they need. They come to the program, and they choose which part of the program they will take. And when they feel they have gotten what they need, they leave on their own. In other words, the decisions on retraining are made by the individuals—not by the Federal Government, or the State government. But we will take money away from them to fund some 157 Federal retraining programs

that the Federal Government will then require people to go to in order to get their unemployment benefits.

Which is the more efficient—where the individual makes the decision, or where the government makes the decision? The answer is very clear. The individual makes more intelligent decisions than the government does. Why? Because the individual is concerned about the effect of that decision on his or her life, and the government, by necessity, has to make these decisions for a whole range of folks.

Let us talk about tax money specifically. Right now in this country real wages are stagnant, and they have been for something like 17 years. Government is not. Government has been growing in that 17-year period. Once again, we are told, "We can't cut the amount of tax burden on the families because we can't afford it." Again who is "we"? What would happen if we were to say, "All right, we are going to allow families to keep more of what they earn and forego the government programs"? An interesting thing would happen. If you were to say to families who have children—which almost by definition means that they have financial problems—if we were to say to families that have children, "OK, we are going to allow you to keep more of your money. What are you going to do with it?" "Well, we are going to spend it perhaps on a new car because with children we have to have a slightly bigger car than the one we had when we were courting. We are going to replace the washing machine. With children we wash a lot more clothes than we used to. We are going to buy more clothes for our kids. We are going to choose so on and so forth."

I have had economists say to me, "Why do you support the \$500 per child tax credit, because it is not going to do anything in our macroeconomic models to increase savings? And the reason you have a tax cut to stimulate the economy is because you want to increase the savings rate and so on." I will not get into all of that macroeconomic conversation here. You are right; families will not increase their savings if you say we are going to give them a \$500 per child tax credit. What are they going to do? They are going to go out and buy things for their kids. Kids are now consumer kids. There were times when they were an economic asset. Now kids are a luxury item. We have them nonetheless. But they cost us money.

What is going to happen when Detroit has to build additional cars because people with families want bigger cars, when they have to build additional washing machines, when they have to produce more clothes? What is going to be the impact of that on the economy and ultimately on the amount of money that will come back to government in the form of taxes? I have seen some macroeconomic studies that say the \$500 per child tax credit is going to produce a greater economic

stimulus than even the cut in the capital gains tax rate. I am not sure how that all works out. Frankly, neither are they. Because the one thing we have to recognize is that we are dealing with a \$7 trillion economy, and the size of the \$500 per child tax credit in terms of the impact on the economy as a whole is less than 1 percent. That is true, Mr. President. If you take the size of the economy as a whole and add it up for the next 6 years—because 2002 is our target date—you are talking about roughly \$50 trillion worth of economic activity in that 6-year period. The size of the \$500 per child tax credit is less than \$500 billion over that same 6-year period, considerably less. So it is less than 1 percent.

Mr. President, I ask unanimous consent that I proceed for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, we are talking about a tax credit that is less than 1 percent of the entire economy. But look at what it means to the families with children. Look at what it means to those who will make the decisions themselves—that instead of all the benefits like the Army used to give me in uniforms, barracks, and mess hall privileges, I say, “Thanks. Just give me the cash and let me decide where I am going to live, what I am going to wear, and what I am going to eat.” I will make wiser decisions, and the impact on the economy will be better.

So this is where it ultimately comes down to, Mr. President. Again, the question: Who is “we” when we say we can’t afford a cut in tax rates? The “we” is the American people, and I believe the American people left to handle the cash rather than the so-called “benefits” can make a wiser use of that money than the Government can.

I am glad my experience with the Army is over. It was a good experience. But I prefer the freedom I have to have the money and make my own choices, and I think most Americans feel the same way.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. COVERDELL. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I changed my 3 to 5, Mr. President, after listening to the distinguished Senator from Utah. I shared the same experiences in the Army, and I know exactly where he is coming from.

Mr. President, when he stated that Jefferson would have been stunned if he would have known what we have here today, some who were around back then would not have been so stunned. It was de Tocqueville who made the observation after writing the book about the great wealth of this

country and what made it so wealthy. He said that once the people find that they can vote money out of the public treasury, the system will fail. And I think we are getting dangerously close to that.

As I watched the Chicago convention and all of this emphasis on the family, I was thinking, “How in the world could any administration with such a dismal failure in their treatment of family values be talking about the family?” Maybe that is the whole reason they are doing it.

I think if you go back and look, Mr. President, at the tax increase that took place in 1993, it was characterized by then chairman of the Senate Finance Committee, Senator MOYNIHAN, the distinguished Senator from New York, as the “largest single tax increase” in the history of public finance, or any place in the world. That is exactly what happened.

What was the nature of that tax increase? It was a tax increase on the American family. It was a gasoline tax increase. That is not just for fat cats. That is for everyone who drives a car, drives a truck, or drives a tractor. It was a tax increase on small business and on individuals, and even retroactive—going back and saying, “It is not enough that we go ahead and tax you from this point forward, but let us go back to January.” I think that is the first time in history that has been done. It was a 70-percent tax increase on the Social Security recipients who cared enough to prepare for some of their senior years so they would have as much as \$22,000 of income. It was an increase in estate taxes. And what is interesting about this is we passed a bill, several provisions that would have been geared just to the family, the \$500 per child tax credit, the capital gains tax reduction, repealing some of our laws that penalize people who get married, who if you stay married—actually right now under the law on the books two individuals who are happily married, if they will get a divorce, can increase their take-home pay by reducing taxes. Is that what Government is supposed to do?

Anyway, I enjoyed the statement by Senator Dole when he talked about doing something about the overtaxation. And if you will analyze what he was suggesting in repealing that Social Security tax increase, the \$500 per child tax credit, the reduction of taxes by 15 percent, the reduction of capital gains taxes and the repealing of the estate tax, all he is saying there is let us go back and see what happened in 1993 and let us repeal a portion of that tax increase.

So I would suggest that anyone today who was not supportive back in 1993 of the tax increase should be supporting what Senator Dole is proposing to do now.

The Senator from Utah mentioned we cannot afford it. I would like to make one comment. I heard the distinguished Senator from Arizona quote John Ken-

nedy several times on the fact that back when he was President, he said we have got to increase revenues and the only way to increase revenues is to reduce the tax rates. He reduced the tax rates and that did increase revenue.

So I suggest to the Senator from Utah that we can afford to do this. We can effectively increase our revenues by reducing taxes. The formula works out that for each 1-percent growth in economic activity it increases revenues by \$24 billion.

However, we do not have the same kind of Democrat in the White House today that we had when we had John Kennedy. It was Laura Tyson who said there is no relationship between the level of taxes a nation pays and its economic performance. And if you have that philosophy, then you can say, yes, we cannot afford it.

Indeed, history has shown us in three decades in the last 100 years, the twenties, the sixties, and the eighties, when we had dramatic reductions in tax rates, each time we increased our revenues. So I think it is a question now of are we really concerned about the family, are we really concerned about doing something about the lessons of those times? I think the time is here, and we have a Congress that is willing to do it.

I applaud the Senator from Georgia for bringing up this subject to discuss today.

Mr. COVERDELL. Mr. President, I appreciate very much the remarks of the Senator from Oklahoma—as always on this subject precise and on target, and I am glad he was able to be with us this afternoon.

The Senator from Arizona is here and would need up to 5 minutes. So I extend 5 minutes to the Senator from Arizona.

Mr. KYL. I thank the Senator.

Mr. President, during the last few weeks, as the Presidential election campaign has gotten underway, the American people have heard a great deal about two very different tax plans for the country.

One of the plans proposed by President Clinton involves token relief if—and I stress if—people spend their money in ways that the Government deems most appropriate. The other plan represents the most ambitious, progrowth economic program since the beginning of the Reagan administration, a program that puts faith in the American people to spend their money in ways that are best for themselves and their families and their communities.

Mr. President, the ambitious program that I am talking about is the one that Bob Dole has made the centerpiece of his campaign. It is a plan that would cut income tax rates across the board by 15 percent, a plan that would provide families with an additional \$500 per child tax credit, and an opportunity to save in new education investment accounts for college education. It would repeal the President’s 1993 tax

on Social Security, and it would provide important incentives for job creation through capital gains tax reduction.

What does all of this mean for the average American family? For a family of four earning \$35,000 a year, it would mean a savings of over \$1,400 a year, a 51.8 percent reduction in that family's tax bill. In other words, it cuts the tax bill in half. For a family making \$75,000 a year, it means a savings of 26.7 percent. It cuts that family's tax liability by a quarter. In other words, it provides real tax relief and targets it to those families who need it the most.

Unlike the plan that President Clinton has proposed, the Dole plan offers broad-based relief and allows all taxpayers—those who are married and those who are single, those with children, those without children—to decide for themselves how they can best use their savings to help themselves and their communities. Maybe they could use the money for new school clothes, as Senator BENNETT pointed out, or for books so children can do some extra reading. Maybe they need the money to put a new roof on the house or put savings aside for a downpayment on a home so they, too, could fulfill their dreams to own a home. Maybe someone would use the funds to start a new business or to create new jobs for young people entering the work force.

The issue is trust. Do we trust the people enough to decide how to use their own hard-earned income or do we need the Government to decide for us how to spend our money. The Dole plan puts faith in the people and so do I.

History shows that when we put our faith in people, the country's economy as a whole does much better. The Senator from Oklahoma pointed out that I frequently quote John F. Kennedy in this regard, and I do. He proposed a tax cut in the early 1960's to help stimulate economic growth, and that plan ultimately led to one of the few periods of relatively strong economic growth in our country since World War II.

The economic effects of the Reagan tax cuts in the 1980's were just as dramatic, leading to the longest peacetime economic expansion in the our Nation's history. In fact, by the end of President Reagan's second term in office real gross national product had risen by more than 4 percent a year. Nearly 19 million new jobs were created, more than 85 percent of which were full-time jobs in occupations with average annual salaries of over \$20,000. Real median family income grew every year but one between 1982 and 1989, rising \$4,564 or 12.64 percent. That is real median income, extra money in people's pockets to help meet their everyday needs. That is what the Reagan program accomplished.

By contrast, the high tax policies of the 1990's have had exactly the opposite effect. Real median family income has declined \$2,108 or 5.2 percent for the average family. People are caught in the trap of stagnating, declining wages and

higher taxes, and they are hurting. No wonder it takes two adults in the family working to support the family. One supports the family; the other supports the Government.

I know that some people are asking whether tax cuts are an option today in an era when voters and public officials alike are seeking to balance our Federal budget. Well, John Kennedy also answered that question noting, and I am quoting:

An economy hampered with high tax rates will never produce enough revenue to balance the budget just as it will never produce enough output and enough jobs.

The question is not whether we can afford a tax cut. The question is can the American people, many of whom are working two jobs just to make ends meet, afford a Government that continues to take more of their hard-earned income every year? Can the next generation afford the tax burden that will be imposed upon it just to pay the debts our Government is accumulating today? Can we do better for our children than to leave them with a sputtering economy, falling income and rising taxes?

The Dole plan is not simply a tax cut but an overall economic plan to revitalize the Nation's economy by putting faith in people to save and invest their hard-earned money in ways they deem best for themselves and their communities. President Clinton has promised that the era of big Government is over. Bob Dole's economic plan will help keep that promise.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Arizona. I think maybe it will be useful to step back for a moment, to help frame what it is we are talking about. In 1993, the Clinton administration imposed the largest tax increase in American history, \$491 billion. That resulted in the highest tax burden, 19.3 percent of the entire economy, that is being consumed by Government.

So the stage has been set. These are very large numbers, and they tend not to get brought down to what the effects are on everyday folks out here. What is happening is the median income for America's average families is continuing to fall and has been falling for some time. From 1986 to 1993, it dropped \$3,800, and continues to fall. These are the reasons. As Government grows, and grows unfettered, the resources have to come from somewhere. The families that are most affected are middle-income families. The very wealthy are able to adjust their lives accordingly. The very poor are using the safety net. But middle America is paying these bills.

I am reading from an article that appeared on July 22 in the Atlanta Constitution. It says:

To fend off that decline and maintain a middle-class lifestyle, many women who

might prefer to remain at home have, instead, entered the workforce. But even that strategy has begun to pay lower dividends. In families headed by a married couple in which the wife is in the workforce, median income peaked in 1989 and has declined noticeably since.

Another article on this subject:

In particular, declining earnings have fueled the rapid increase in labor force participation of women, including women in 2-parent families. Whereas, in 1950, only 20 percent of married women with children, and 12 percent of those with preschool age children, worked, by 1990, 40 years later, two-thirds of married women with children were employed.

A survey, I believe it was done by Rand, was recently released about the second spouse, or women in the workplace. It said 85 percent of the women in the workplace would like to alter how they are in the workplace if they could. Of course they cannot because of the economic burden that our governments have placed on their families. They are so high that the option is removed. It is not a decision, to make a choice to go into the workplace. The Government is forcing it.

Of the 85 percent who said they would alter it, one-third of those said they do not want to be in the workplace at all, they want to be at home; one-third said they would like to work just part-time so there is more time for the family; and one-third of them said they would only volunteer. They would just work as a volunteer. They do not have that choice. Congress and the administration, over the last several years, have made that choice for them as we have ratcheted up the burden.

A moment ago I was talking about the Georgia family and I pointed out they are forfeiting half their income to some government at this point. That is enormous. It is just hard to comprehend. During this administration, that average family's checking account has shrunk by \$200 a month, anywhere from \$2,200 to \$2,600 a year. That is the impact on this average family in my State of the policies of this administration. When they raised the taxes to the record level and produced this highest tax burden ever, the effect on an average family in a little town in my State is that their checking account has \$2,400 less a year. That is just like removing something like 10 to 15 percent of their total disposable income.

Is it any wonder that these average working families in our country are not saving money? Are we surprised they do not save money like they should, to prepare for a rainy day, prepare for retirement, prepare for their children's education? What is left to save, after the Government has marched through your living room and taken half the assets?

Are we surprised that credit card debt is at an all-time high? Are we surprised that the payments on delinquencies on credit cards have plummeted? Are we surprised that, if you work from 9 in the morning until noon every day for the Government, and this

tax burden has been made so high that you have to have both spouses and in some cases their children in the workplace, and in some cases not only do both spouses now work, but, indeed, they have to have two and three jobs each—Are we surprised that the behavior of that family has been modified? That the children are left without the kind of attention those parents would like to give? That they are not there to be the guide and beacon for those kids? They call that latchkey children. Of course they are latchkey children. The Government policy from Washington has increased the burden, increased the burden. We have pushed both spouses into the workplace. We have now got them to where they have to have two and three jobs. We have created stress. It is no wonder there is so much anxiety in middle-class America.

I am reading from another periodical: "Work and family integration."

It is increasingly common for all adult family members to spend a greater number of hours at work in order to make up for declining median family incomes. Married women with children have entered the labor force in record numbers. They, therefore [it doesn't take a rocket scientist]—they, therefore, have less time for care-giving in the home. Many parents, both mothers and fathers, feel conflicted and torn between spending time with their families and meeting workplace demands. "It's like you are caught between a rock and a hard place, because if you want to have a family, you want to have a couple of children, and you cannot do that unless you have lots of money to support them."

That quoted a woman in her twenties in Salt Lake City.

So, Mr. President, Senator Dole has come forward. There is a lot of talk about what each of these proposals means, but the bottom line is this: He is saying that Government, Washington in particular, has put too much financial pressure on these fragile families. It is creating havoc, and it ought to be a conscious, fundamental, sound policy to give them relief, to allow them to keep more of what they earn so that they can do what they are supposed to do in that home. And, yes, he is saying we think that the best caretaker of those children is their parents and the family in the comfort of the home, and, no, a village, a government is no replacement for that policy.

So he has stepped forward and said, "I intend, with a cooperative Congress, to effect lowering the economic burden on the average family."

Mr. President, I know that you, the Presiding Officer, would like to speak on this subject. So I am going to suggest the absence of a quorum so I might assume your duties so that you can speak on this subject and then replace me afterwards.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

Mr. FRIST. Mr. President, I rise today to continue on the topic that was begun so admirably by yourself, the Senator from Arizona and the Senator from Oklahoma on the benefits of significant tax relief for all Americans, for individuals, for their families, for their children, for the next generation.

Whenever we seem to debate tax policy in this body, we seem to begin with different premises, and I think we really must focus over the next year on a principle which I feel should govern our decisionmaking. That is, that there is no such thing as "Government money." Money today through taxes comes from individuals, hard-working individuals. It comes from a person, it comes from a family, it comes from a business, and it comes to Washington, DC, and not the other way around.

For far too long, the Federal Government has treated the income of American people as its own money. This practice absolutely must stop.

I want to refer, as I develop this principle over the next few minutes, to a recent editorial by Washington Post columnist James Glassman. The editorial is entitled "It's Your Money." I will alter it a little bit and say "It's the People's Money," because that is the underlying principle I think we must come back to as we discuss tax and tax policy.

In that editorial, Mr. Glassman pointed out that there are two schools of thought on tax policy. Under the first one, using the words of Mr. Glassman:

We use an old-fashioned business model to think about taxes. Taxes are revenues, like sales. The objective for the Government is to match up those revenues with its expenses so that it doesn't lose money. Under that model—

According to Mr. Glassman—the Government dispenses tax cuts as a gift from Washington.

But I do not think the American people view their tax dollars in this fashion. They tell you that. All of us travel around our respective States and around the country, and they tell you they don't view their tax dollars that way, so we need to stop viewing them that way in Washington, DC.

Mr. Glassman described it in the editorial in the following way. He said the average American, and I begin to quote him, "views taxes not merely as bloodless revenues but as the real, hard-won earnings of individual Americans."

He says:

Tax dollars begin life as personal dollars. They're yours, not Washington's.

He goes on to say:

You do agree through the political process to turn over some of your income, but that deal is transitory and renewable and it depends on Washington providing good value for your money.

Mr. Glassman's words, "good value for your money."

I don't think we in this body can express this principle enough. It is the

taxpayers' money. When we Senators meet with our constituents in our home States, we have to remember it is their money. That is where it originated. And every time we pass a spending bill on the floor of the U.S. Senate, we must be able to go home and look our constituents in the eyes and say, "Here is how we spent your money."

I brought two charts with me, again, to illustrate how taxes have taken a bigger and bigger bite out of the family budget. So many people think so often in the short term and they say, "Well, taxes are high now, yes, but they have always been that way. There really hasn't been much change, and there's not much we can do about it."

Our responses have to be the facts. We do not have to look that long ago when people were paying out of their family budget as much as they are paying in taxes today. We have to look back.

This is taxes out of a typical family budget. This is not an aggregate figure of billions of dollars, this is a family budget, something each of us can touch, feel, experience.

The pie on the left shows in 1955 the family budget, this circle being 100 percent. Total taxes were 27.7 percent in 1955.

If we look in 1995, we see that total taxes are 38.2 percent. All other parts of the family budget are shrinking as the red part of the pie has gotten bigger and bigger over time, just over a 40-year period.

You can also look at this at how many hours you work during the day. If you say this is an 8-hour day that likely you and your spouse are working, look, 3 hours out of that 8 hours is spent working for Government today.

Going back to Mr. Glassman's words, we need better value for your money.

On the second chart, we see a typical family budget, how that budget of that working family with two children breaks down. This is the overall family budget, and, once again, in red, we see total taxes. I just said that 38.2 percent of that typical family budget goes to paying taxes. Where does the rest of it go?

Just very quickly. House and households, about 15 percent in yellow. In the blue, medical care about 10 percent. Food, 6 percent. Transportation, 6 percent. Clothing, 4 percent. And everything else about 17 percent. This might be education for your children, might be savings, might be investment for your retirement.

But look, compare what we pay in taxes to medical care, food, transportation, and clothing, and we can see that what you pay in taxes far surpasses the 27 percent total of medical care, food, transportation, and clothing today.

Most Americans do not think of it in that concrete of terms. It is time we take broadly across this country this process of educating people, to look at what you do when you increase that red, which has been done, as we saw, by

our distinguished colleague from Georgia. We have seen that this red has been growing and growing over time. What does it squeeze out? It means that you spend less money on food or transportation or clothing or savings or investment in your children's future.

You know, in this Congress we have done a number of things, and much of it gets lost before it gets out to the people broadly. We passed a \$500-per-child tax credit for families making under \$75,000 a year. We passed a marriage penalty relief which increased the standard deduction for couples filing jointly. We passed a student loan interest credit to make college more affordable. We passed an expanded individual retirement account that would allow penalty-free withdrawals for first-time home purchases, for medical expenses, for periods of unemployment, for college expenses.

Yes, unfortunately, though this body representing the American people passed all of that, they were vetoed by the President of the United States. Well, despite this setback of a way, we now must review our commitment to allow individual Americans, individual hard-working men and women, not the Federal Government, to keep more of those hard-earned earnings.

To those who say that tax relief will blow a hole in the deficit, I say, join with us as responsible stewards of taxpayer dollars in our commitment to finding offsetting spending cuts. If we are going to allow the American people to keep more of what they earn, we have to slow down this incessant, almost unstoppable growth of Government. Going back to Mr. Glassman's comments, who said, "providing good value for your money."

We can begin this process by passing a balanced budget amendment to the Constitution. That way the American people would have a constitutional assurance that tax cuts would fully be paid for with spending cuts.

In closing, our challenge is to boil down this large debate of taxes and economic policy to something that the typical American can understand. The data speaks very strongly to the typical American. The tax debate will rage on. We need to come back to that underlying principle: It is the people's money. I do urge my colleagues to remember that we—we—we are the trustees of the American Treasury. Building that trust is one of the most important duties we have as U.S. Senators. If we always remember that it is the people's money, I believe we will be responsible trustees.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, how much time is there remaining?

The PRESIDING OFFICER. There are 8 minutes remaining.

Mr. COVERDELL. Mr. President, I really enjoyed your presentation, as I told you when you approached the Chair. You raised some questions that I am going to pursue, even beyond this afternoon, by the pie chart of the breakdown of the expenditures for the average family. I want to point out again, an average family in Tennessee cannot be a lot different than one in Georgia. It is about \$40,000, \$45,000 that this average family is earning in Georgia. I assume that is about what it is here. When you take 40 percent of that amount, you do not have a lot left. That is not a lot of money.

A point I wanted to make is this is a bit deceptive. It shows that 38.2 percent is paid in total taxes, which, as you pointed out, was larger than what that family is spending for its house and household, medical care, its food, its transportation, and clothing. It is just unbelievable that the Government burden can be that large. But the point I want to make is that it is even larger than the 38.2 percent. Maybe we can collaborate on this and we can produce another chart. But built there is another 12-plus percent that is hidden in the price for the house and household, medical care, and food in the cost of Government regulation and management.

We would all agree that there is certainly a role for safety and health and the like. But that has been growing at an astronomical level. It costs this family \$7,000 a year. That is on top of the 38.2 percent.

On top of it—and I have dealt with this a couple times—when I tend to say they are forfeiting half their earned wages in Government costs and burden, well, 38.2 percent is actual tax, but there are more costs than that. As a result, the burden on that family is just phenomenal, and it is leaving them in a condition that is very difficult.

I have been reading several statistics here. This is one that I find most alarming. Net savings and investment average 10.7 percent of the gross domestic product. I will finish.

We have been joined by the Senator from Michigan who has been at the forefront of tax relief since his arrival in the U.S. Senate. I want to acknowledge him.

I just want to make this one last point, that savings and investment constituted about 11 percent of the gross domestic product in the 1960's and today it is 3.75 percent. That is where the capital to run this economic engine comes from. That is where the protective device for all these families is, in their savings. These burdens have pushed those savings down to one-third of the level they were just 30 years ago. And that is flirting with fire. That is

making a family unable and the Nation unable to protect itself.

Mr. President, I grant the balance of my time to the Senator from Michigan. I suspect that is about 4 minutes or so.

Mr. ABRAHAM. That is fine.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you very much, Mr. President. And I thank the Senator from Georgia for his continuing leadership in providing us opportunities to address issues of importance.

Today I am glad that we are talking about the burdens that face American families, because young families confront a lot of challenges as we move to the end of this century and into the next one. In my own family, we have added a new member since the last time I spoke in this Chamber, just yesterday afternoon. So we, as is the case with all other families that are growing in number, are looking at the challenges we have, and they are challenges in a variety of areas. One of them is obviously the financial challenges that new families and young families confront.

When I am in my State of Michigan, and I suspect the same is true in Georgia, Tennessee, or any other of the 50 States, what I hear from my constituents, from working families, is a very common theme. It is the theme that even though people seem to be working more they find they have less and less to show for it. We have heard it described as a squeeze on the middle class. We have heard it described in a variety of other ways, but we have heard it described consistently in my State for a number of years.

I have sat down with the families to try to find out exactly why they feel this way and what it is that has led to this situation. The very simple fact is, Mr. President, a major reason why our working families are having a harder time making ends meet is that the tax burdens they are confronting, each going up at a pace that is faster than the family income is going up. That, indeed is exactly the case for most people in America. Indeed, during the last 3 to 4 years, family incomes have been absolutely stagnant. Meanwhile, Federal taxes have been going up. In many States, State taxes and local taxes have been going up, as well.

Indeed, it is interesting to note, Mr. President, that across the board we see families confronting a higher and higher responsibility in terms of their paychecks headed to Washington than ever before. Right now, the Federal tax burden is the largest portion of the family budget, 26 percent, which is more than housing, food or education costs. When you add on the burdens of State and local taxes, the percentage goes from 26 all the way up to 38 percent. When you think about that, Mr. President, you think about almost 40 percent of the average family's income being sent to government to pay for programs and services, you realize the extent to which families do feel the crunch.



The crunch has created a very interesting set of changes. It has meant that where in the past one person was working was enough for the family to stay ahead of the game, today, often it is two people working at more than one job. At least in the case of the people of my State of Michigan the solution, it seems to me, is quite clear. Unless we are going to get to the point where families working two jobs and two breadwinners working two jobs is inadequate to allow working families to keep up, we have to give them some relief. The one way the Federal Government can provide that relief is by reducing the tax burden that these families face.

Mr. President, I do not have the time today nor do I intend today to go into a variety of ways by which we can ease that burden. But I think the kinds of plans that have been put forth by Bob Dole and Jack Kemp, calling for across-the-board tax relief, combining that with a \$500-per-child tax credit is a step in the right direction. I think that is what the families of Michigan, the families of America can benefit from.

I add, Mr. President, in closing, in our State of Michigan we reduced taxes 21 times in the last 5 years. That has produced record levels of employment and it has not caused a budget deficit. We have balanced the budget and created a surplus at the same time. We need to give families that relief. I look forward to working within the Senate to accomplish that. I yield the floor.

#### CONGRATULATIONS TO THE ABRAHAM FAMILY

Mr. BYRD. Mr. President, did I understand the distinguished Senator from Michigan to say that there had been a new birth?

Mr. ABRAHAM. That is correct. I say to the Senator from West Virginia, I am happy to inform you as of 2:25 p.m. yesterday afternoon the third baby in the Abraham family was born. I am proud of our new son named Spencer who has joined us.

Mr. BYRD. This is the third child.

Mr. ABRAHAM. We have twin daughters who are 3 years old, Betsy and Julie, and now they have a little brother.

Mr. BYRD. I congratulate the Senator and the Abraham family.

Mr. ABRAHAM. Thank you very much.

Mr. BYRD. He has thrice tasted the experience of immortality. He is living on a new plateau.

What is the new child's name?

Mr. ABRAHAM. I have to indicate that with a certain amount of pride. It is Spencer. He is named after his father.

Mr. BYRD. Wonderful, wonderful.

May I say to the new child:

Once in thy father's arms, a new born child,  
thou didst weep while those around thee smile;  
so live that in thy lasting sleep  
thou mayst smile while those around thee weep.

#### ALTERNATIVES TO MIDDLE EAST OIL DEPENDENCE

Mr. BYRD. Mr. President, I strongly support the actions of President Clinton in responding to the latest round of the politics of aggression by the Iraqi dictator, Saddam Hussein. The response by President Clinton follows in the wise policy footsteps of President Bush by taking strong action, and in acting as a leader of both the West and the Middle East in responding to aggression.

To those who would doubt the necessity of the actions by the President, one should pose the question as to what the consequences would be in the face of American inaction. First, clearly, no other country would take the lead. The signature of the current era is such that response to aggression will not be taken up by other powers in the absence of American leadership, unfortunately. This was the case in the invasion of Kuwait. It was the case in Bosnia when, after several years of Western inaction in the face of ethnic atrocities in Bosnia, only the United States, only the United States, could bring about a credible, effective implementation of peace in that sorry part of Europe. While one should have rightfully expected the European nations to have led that effort, they did not, and would not, in the absence of American leadership. The same is the case today in the Middle East. Our friends and allies in Europe and the Middle East will not act in the absence of American leadership.

It is American leadership which is decisive to the peace in these regions, and I commend President Clinton for his decisive action. It was necessary to weaken the Iraqi leader's ability to intimidate his neighbors, and to make it clear that he will pay a price for his aggression. As President Clinton stated, our action has changed the strategic situation, with Saddam's military capabilities weakened in the south of Iraq. If further actions are necessary to ensure the protection of our pilots in the no-fly zone, then he will continue to have my unstinting support. The President's actions have ensured that the coalition which has acted to restrain and discipline Iraq since the invasion of Kuwait remains viable and intact.

It has been stated on many occasions, during the Gulf war and most recently by Secretary Perry in expressing the vital interests of the United States in the Middle East, that our policy is driven by the energy security interests of the United States. Oil, oil, is the lifeblood of our industrial base, and both Western Europe and the United States, as well as Japan, are far too dependent on the Middle East for supplies. We need to get serious about alternative sources of energy, clean coal technology, other non-petroleum sources, and the overall development of alternative sources of oil.

A very important, world-class, alternative source of oil exists and awaits development in the Caspian Sea area. Following the break-up of the Soviet

Union, large oil resources are now available for commercial development. According to industry sources, some 42 billion barrels of proven oil reserves in this region are available for lifting and transport to the west.

The oil pot of the region is estimated by American industry sources to be comparable to that of the vast Saudi Arabian fields, a potential of some 200 billion barrels of oil, and includes, as well, enormous natural gas reserves. Some 2-4 million barrels of oil per day could be brought out of the Caspian region, across Turkey by pipeline, and to the United States market. These new reserves, in the newly independent states of Azerbaijan, Kazakhstan and Turkmenistan, can bring substantial, rapid economic development to those nations, as well as to Turkey, on their western border. The riches of these reserves can bring new stability and stable independence to those new nations. For the West, Caspian Sea oil could help to diversify the world oil suppliers, stimulate price competition, and bring new security to our supplies.

Already, aggressive efforts have been underway by Western oil companies to develop this resource. In Azerbaijan, a \$7.5 billion contract with the Azerbaijan International Operating Company, a consortium of 12 energy companies, including 5 U.S. companies, could produce an estimated three billion barrels of crude oil over the next twenty years. In Kazakhstan, there is a \$20 billion joint venture between an American oil company and the Kazakh government which could yield as much as 9 billion barrels of crude oil over the next 40 years.

Nevertheless, the oil industry cannot by itself accomplish this achievement. The region has been in turmoil as a result of war between Armenia and Azerbaijan, with large disrupting movements of refugees, and there are constant political and other pressures from Russia and the Islamic world bearing on the Caspian region. The resulting instability requires increased involvement and commitment by the United States Government for large scale projects to go forward. The power and the influence of the United States Government are necessary to accomplish the development of an assured supply of petroleum resources to the West. I believe this should be a major priority for the next administration. The stakes, both economic and strategic, are enormous.

Mr. President, Caspian region oil can be transhipped by pipeline across Turkey, avoiding politically fragile routes through the Middle East or through an unpredictable Russia. Turkey is enthusiastic about this prospect and is ready and able to cooperate with America to make the development of this major new alternative oil source available to the United States. We should not forget, as we so often forget, the contribution of Turkey to the Western anti-Saddam alliance. It was Turkey which